

Key Issues for Housing Delivery

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Key Issues for Housing Delivery

- Setting the scene
- CIH SW Manifestos
- The Current Environment
- TSA
- Audit Commission
- HCA
- Crystal Ball Time



Setting the Scene

- Average SW house price = £220,704
- Median income = £19,016
- Income to buy average home = £57,267
- 1 in 14 households on waiting lists
- Highest proportion of second homes in country
- Waiting lists = 161,353 and growing!

(NHF Home Truths 2009)



CIH South West Manifesto 2006

- Launched to highlight the need for more affordable housing and to lobby for greater investment
- Government investment in the SW increased to £826 million over 2008-2011, an additional £37 million
- Focus switched to delivery – and then the credit crunch came along



CIH South West Manifesto 2008

Four key issues identified:

- Mortgage Rescue – 40,000 repossessions 2008
- Tackling Worklessness - pressure areas
Plymouth, Torbay and Cornwall
- Greening our existing housing – 27% of total
CO2 emissions from existing homes
- Help for rural housing and the economy – high
cost homes & low wages



The Current RP Environment

- Change of Regulator – demise of the Housing Corporation, arrival of the TSA
- Continuing Audit Commission inspection regime
- Funders perspective – for RPs and Homebuy mortgages
- Change of Investor – demise of the Housing Corporation, arrival of the HCA



Tenant Services Authority (1)

- New regulator, new approach?
- Cross-domain (with some exceptions)
- Focus on standards and outcomes
- Less prescriptive on process
- Greater reliance on self-monitoring and tenant scrutiny & empowerment
- Greater focus on improving existing services may reduce appetite for development



Tenant Services Authority (2)

- New proposals for Governance – no longer ‘one size fits all’
- Extensive consultation following the ‘National Conversation’ on resident involvement
- Greater focus on RP Boards and their accountability
- Expect a period of ‘navel gazing’
- Collapsing Groups and mergers?



Audit Commission

- In pursuit of excellence - 2 star or 3 star?
- Renewed internal focus on policies, procedures and structures
- Additional resources required – less available for Development?
- Move to '2 tier' RP, development focus or service focus?
- ...but TSA are looking to reduce inspections!



Funders Perspective

- Fixed rate loans causing pain
- Seek excuse to renegotiate wherever possible
- Some funders now withdrawn from the market
- Dislike of shared ownership –seen as high risk
- Section 106 and other planning conditions: mortgagee in possession a ‘must have’ clause



Homes and communities agency 1

- Established 2008, replaced Housing Corporation and English Partnerships
- Biggest regeneration agency in Europe
- Annual budget £5bn
- £8.4bn for affordable housing 2008 – 2011
- Regional growth initiatives, growth points and other national programmes
- Housing market renewal



Homes and communities agency 2

- Direct involvement in joint ventures such as priority sites, English cities fund
- Supporting local housing companies (local authorities and private developers)
- Provide “credits” for private finance initiatives
- Private rental sector initiative aims to attract new investors into sector



Homes and communities agency 3

- Focus on increasing land supply, especially brownfield
- More commercial approach
- Pressure on grant rates
- Mixed tenure still preferred option
- Relationship with local authorities through single conversation
- Focus on place



What does it mean for housing supply?

- More complex structures and partnerships
- Higher risk for RSLs, capacity issues
- Greater focus on areas already active
- Funding still expensive, bond markets an increasingly attractive option
- Greater challenge for governance
- Reduced appetite for development in some cases



Is the party over?

- General Election- probable change of government
- Either way we can expect substantial cuts in HCA funding - & possibly the HCA itself!
- Possible demise of the TSA – what will take its place?
- End of regions? ‘Localism’?
- Need to look for other sources of investment



The Sector Thinks so...

- 55% of Housing Associations believe social housing will not be a priority post election
- 88% expect their peers to have financial difficulties in the next 12 months
- 44% expect to make significant cuts
- 52% have experienced problems renewing facilities with funders

(Source: Inside Housing 22/1/2010)

